

DATE 21-NOV-02
VENDOR NUMBER: 21571

No. 148221

VENDOR NAME PUBLIC UTILITIES COMMISSION OF N

INVOICE NO.	INVOICE DESCRIPTION	INV. DATE	DISCOUNT	NET AMOUNT
1ST QTR PTMT-2002		13-NOV-02	0.00	3,078.00
PLEASE DETACH AND RETAIN THIS STATEMENT AS YOUR RECORD OF PAYMENT.			0.00	3,078.00

STATE OF NEVADA
PUBLIC UTILITIES COMMISSION OF NEVADA
1150 E. William Street
Carson City, Nevada 89701-3109

No. 30189

RECEIPT

Received from

Date 11/25/02

CRICKET COMMUNICATION, INC
10307 PACIFIC CENTER COURT
SAN DIEGO, CA 92121-2779

AMOUNT

\$ 3,078.00

THREE THOUSAND SEVENTY EIGHT and 00/100 Dollars

Haw Paid	Cash <input type="checkbox"/>	Check 148221	Money Order	Draft
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Type of Receipt	Filing Fee <input type="checkbox"/>	TDD <input type="checkbox"/>	copy Service <input type="checkbox"/>	UEC <input type="checkbox"/>	Mill Assessment <input type="checkbox"/>	Other <input type="checkbox"/>
3% to 3305 97%						

Memo

TDD:

Received by SV

Fiscal Copy

Public Utilities Commission of Nevada, NV
Nevada Telecom Relay Services Surcharge
Reporting Period: October 1, 2002 to December 31, 2002

FEIN: 330879924

Cricket Communications, Inc

Cricket Communications, Inc.

do Tax Partners, L.L.C.

3100 Cumberland Boulevard, Suite 900

Atlanta, GA 30339

(877) 829-4141 - Phone

(770) 956-0700 - Fax

Tax Identification Number

Return Due: January 20, 2003

Gross Sales	\$46,038.00
Less: Tax Exempt Sales	\$0.00
Net Sales Subject to Tax	\$46,038.00
Tax Rate	8%
Gross Tax	\$3,683.04
Less: Vendor's Compensation	\$0.00
Less: Tax Credits	\$0.00
Net Tax Amount to be Remitted	\$3,683.04

Wednesday Warford

1/16/2003

Wednesday Warford, Attorney-in-Fact

Date

I hereby declare that all information provided herein is true, complete and accurate to the best of my knowledge.

03 JAN 16 11:20

REMIT TO:

Public Utilities Commission of Nevada
1150 East William Street
Carson City, NV 89701

426957

Nevada TRS

Reporting Period: October 1, 2002 to December 31, 2002

Cricket Communications, Inc.
c/o Tax Partners, L.L.C.
3100 Cumberland Boulevard, Suite 900
Atlanta, GA 30339

Return Due: January 20, 2003



002395

Amount: 3,683.04



NV-ST-TR



200212

002395 002395 200212 NV_ST_TR Q 1/17/2003 10:39:32 AM LSTAFFORD

0000426957

STATE OF NEVADA
PUBLIC UTILITIES COMMISSION OF NEVADA
1150 E William Street
Carson City, Nevada 89701-3109

No. 30329

RECEIPT

Received from

Date...1/24/03.....

CRICKE' MUNICATION, D
10307 PA CENTER COURT
SAN DIEGO CA 92121-2779

AMOUNT \$ 3,683.04

THREE THOUSAND SIX HUNDRE EIGHTY THREE and 04/100 Dollars

How Paid	Cash	Chak	Money Order	Draft
	<input type="checkbox"/>	426957		

Type of Receipt	Filing Fee	TDD	Copy Service	UEC	Mill Assessment	Other
GL	3717	<input checked="" type="checkbox"/> cc: DETR	3818	3% to 3305 97% to LIHEA cc: Welfare	3315 4548	

Memo

TDD CHARGE

Received by KM

Fiscal Copy

E

J.G. Smith Reply Affidavit – Attachment E

**REDACTED FOR
PUBLIC INSPECTION**

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of

Application by SBC Communications Inc.,)	WC Docket No. 03-10
Nevada Bell Telephone Company, and)	
Southwestern Bell Communications Services,)	
Inc. for Provision of In-Region, InterLATA)	
Services in Nevada)	

AFFIDAVIT OF KEITH FREDERICK

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SCHEDULE OF ATTACHMENTS

- Attachment A** Voter/Consumer Research Inc. Firm Information
- Attachment B** Survey Questionnaire
- Attachment C** Cricket Billpayer Survey Analysis

I, KEITH FREDERICK, being of lawful age, and duly sworn upon my oath, do hereby depose and state **as** follows:

PROFESSIONAL EXPERIENCE

1. My name is Keith Frederick. I am a pollster and the president and owner of FrederickPolls LLC (“FrederickPolls”), a public opinion and polling firm. My business address is 1000 Wilson Boulevard, Suite 2525, Arlington, Virginia 22209.
2. **As** president of FrederickPolls, I am responsible for managing all aspects of focus group, telephone, and online opinion research projects for corporate, non-profit, association and political clients. I supervise and participate in the design of these projects, their statistical analyses, their execution, and the presentation of their results. I also supervise, direct and work with the calling centers that **perform** FrederickPolls’ telephone interviews.
3. I received my Bachelor of Science degree from Clemson University with a major in political science and a minor in statistics in 1977, and pursued graduate work in quantitative political science at Virginia Tech from 1977 to 1979. I began my career in polling and opinion research in 1979 with the Washington, D.C. firm of Hamilton and Staff, where I specialized in both political and public affairs polling. In 1984, I became a name partner at the firm. From 1989 to 1999, I **was** lead partner at Frederick Schneiders, Inc., which was acquired in 1995 and became Frederick Schneiders Research. In 1999, I founded FrederickPolls LLC.
4. Since the inception of my polling career 24 years ago, I estimate that I have managed well over 2,000 telephone interview polls, including their design and execution. My substantive areas of research expertise include telecommunications policy, electric

utilities market restructuring, health care policy and growth politics. I have served a diverse combination of corporate, political and public affairs clients. Prior utility and telecommunications clients include Qwest, AT&T, Entergy, Florida Power & Light, TECO, New York State Electric & Gas, the Pennsylvania Public Utility Commission, and the Florida Cable TV Association. Other clients include Emory University, Blue Cross/Blue Shield of North Carolina, the American Hospital Association, the Kaiser Family Foundation, and Philip Moms USA.

PURPOSE OF AFFIDAVIT

5. Nevada Bell Telephone Company (“Nevada Bell”) recently commissioned Frederick Polls to perform a telephone survey of subscribers of Cricket Communications, Inc.’s (“Cricket”) broadband PCS service in the Reno, Sparks and Carson City market.’ The survey I undertook is similar to a survey I previously performed for Qwest related to Cricket’s service in New Mexico.
6. My affidavit explains that the survey ~~was~~ designed to (a) statistically estimate the number of Cricket subscribers in Nevada Bell’s service territory and (b) determine whether more than a *de minimis* number of those subscribers are using Cricket broadband PCS service as a replacement for Nevada Bell’s residential local wireline service. Notably, the definition of “replacement” utilized in ~~this~~ survey is intentionally conservative. The survey instrument uses two separate and specific measures to determine how many

¹ Cricket currently offers customers in Reno, Sparks and Carson City a flat-rated unlimited wireless calling plan for calls within Cricket’s calling area for \$32.99 per month, with long distance calls at 8 cents per minute. See <http://www.cricketcommunications.com/cricketareas.asp?id=22>. It is my understanding that the Cricket service area falls almost entirely – if not entirely – inside Nevada Bell’s local service territory. For a discussion of Cricket’s market strategy and entry into the Nevada Bell service territory, see the Affidavit of J. Gary Smith attached to Application by SBC Communications Inc., Nevada Bell Telephone Company, and Southwestern Bell Communications Services, Inc., for Provision of In-Region, InterLATA Services in Nevada, WC Docket No. 03-10 (FCC filed Jan. 14, 2003) (App. A., Tab 19).

Cricket customers have substituted Cricket service for wireline service in their homes – (1) those who do not now have home wireline phone service and (2) those who have no home wireline phone service but previously subscribed to such service prior to deciding to initiate Cricket service. **This** represents just one of four possible types of wireline phone substitution – and thus is a conservative measure of wireline replacement?

7. I have reviewed the affidavit of J. ~~Gary~~ Smith filed in support of SBC's application for section 271 relief in Nevada and, in particular, his discussion of Cricket's broadband PCS service **as a** commercial alternative for residential customers in Nevada Bell's **serving** area. The results of the survey I undertook support the analysis set out in Mr. Smith's affidavit and, indeed, demonstrate that it set forth a conservative estimate of the extent of broadband PCS landline replacement in Reno, Sparks and Carson City. As set forth in detail below, the survey demonstrates that (a) there are a large number (more ~~than~~ 15,000) of Cricket subscribers in the Reno, Sparks and Carson City market, and (b) a significant number (more than 2,800) of those subscribers are using their Cricket broadband PCS service to replace Nevada Bell's residential wireline service. In fact, **through** the survey process of calling one in five potential Cricket phone numbers, we specifically identified **345** Cricket customers who do not currently have wireline phone service in their home **and** disconnected or terminated such service because they decided to subscribe to Cricket service. These results unequivocally demonstrate that more than a

² Wireline replacement **also** occurs in other ways. For instance, replacement **occurs** when a would-be residential wireline customer decides not **to** purchase wireline service but instead purchases Cricket's broadband PCS service for **use as** his/her primary telephone service. Similarly, replacement occurs when **an** existing wireline customer retains his/her primary wireline but chooses to **terminate a** second or additional wireline in favor of Cricket's broadband PCS service. Finally, replacement **occurs** when **an** existing wireline ~~customer purchases~~ Cricket's service for a household member instead **of** purchasing a second or additional wireline. In each case, the Cricket service replaces a wireline **that** would be purchased but for the substitution of the Cricket service – **demonstrating that** the Cricket service is **an** actual competitive **alternative to** wireline service.

de minimis number of residential customers in Nevada Bell's service territory have replaced their wireline service with Cricket's broadband PCS service, and thus clearly support the conclusions reached in Mr. Smith's opening affidavit.

SURVEY METHODOLOGY

8. The survey FrederickPolls performed for Nevada Bell was designed to (a) statistically estimate the number of Cricket subscribers in Nevada Bell's service territory and (b) determine whether more than a *de minimis* number of those subscribers are using Cricket broadband PCS service as a replacement for Nevada Bell's residential local wireline service. FrederickPolls developed the methodology for selecting the sample pool, designed the survey questionnaire, supervised the conduct of the telephone survey, and analyzed the survey results. Throughout the process, I worked closely with the public opinion research firm Voter/Consumer Research Inc. ("V/CR"), which was responsible for placing the telephone calls to the sample pool from its computer-assisted call center in Houston, Texas. (Attachment A provides information regarding V/CR.) Dr. Jan van Lohuizen, V/CR's President and Founder, reviewed the survey questions, the survey design and the analysis of the survey results. V/CR Vice President Dan Kessler supervised all data collection aspects of the project including sampling, telephone calling, interviewing instructions, Spanish language translation of the questionnaire, call disposition record keeping and data entry of results.
9. The initial survey task was to develop the methodology to identify the sample pool. According to the North American Numbering Plan Administration's web site: **Leap**

³ See <http://www.nanpa.com>

Wireless Intl., Inc. dba Cricket Communications, Inc., has been assigned four **(4)** sets of NPA/NXX numbers in Nevada (all in the Reno or Carson City rate centers): **775/303; 775/378; 775/379; and 775/443.**⁴ Each NPA/NXX represents ten thousand telephone numbers. Therefore, Cricket has been assigned a total of 40,000 telephone numbers in Nevada Bell's service territory.

10. From the pool of 40,000 telephone numbers assigned to Cricket, we randomly selected **8,000** for the survey – one in five. The numbers were selected pursuant to a sampling technique designed to give every telephone number assigned to Cricket an **equal** chance of inclusion in the sample. The technique minimized any geographic or temporal **order** bias that could have resulted from Cricket's pattern of assigning telephone numbers to customers (if any such pattern existed). We used a computer statistical package **to** randomly assign to each of the 40,000 potential Cricket telephone numbers a number between one (1) and forty **(40)**. This yielded forty **(40)** random groups of 1,000 telephone numbers each. We then selected for inclusion in the sample pool all telephone numbers that had been assigned the numbers one (1) through eight **(8)**, for a total survey pool of **8,000**. This large sample pool yields a very robust level of statistical reliability.
11. **Our** next task was to design a survey questionnaire with clear and comprehensible questions. The survey was designed in order to obtain responses only **from those** persons who pay the bill for the Cricket broadband PCS service ("Respondents"). After asking how long the Respondent has had his or her Cricket service, Respondents were read the following statement for context:

⁴ As previously noted, Cricket only operates in the Reno, Sparks and Carson City markets in Nevada. The "775" NPA represents the applicable area code for northern Nevada. The NXX identifies the first three digits of a seven-digit telephone number.

Some Cricket customers might choose to **NOT** have traditional wireline local telephone service in their home and, instead, use their Cricket phone for all of their calling needs.

Respondents were then asked:

Do you have wireline local telephone service in your **home?**⁵

If Respondents answered “No” to the foregoing question, they were then asked:

Did you previously have in your home, wireline local telephone service that was disconnected or terminated because you decided to have a Cricket phone?

Lastly, we recorded the Respondent’s age and gender. (Attachment B is a copy of the survey questionnaire.)

SURVEY EXECUTION

12. Having identified the sample pool and designed the survey questionnaire, we began calling the 8,000 Cricket telephone numbers. The survey calls were made between February 1st and February 6th, 2003. Calls were placed between the hours of 5:00 pm and 9:00 pm Pacific Standard Time on weekdays, between the hours of 1000 **am** and 4:00 pm Pacific Standard Time on Saturday, and between the hours of 1:00 pm and 8:00 pm Pacific Standard Time on Sunday.
13. V/CR’s highly trained and supervised interviewers placed the calls from V/CR’s Computer-Assisted Telephone Interviewing (“CATI”) stations in Houston, Texas. All of

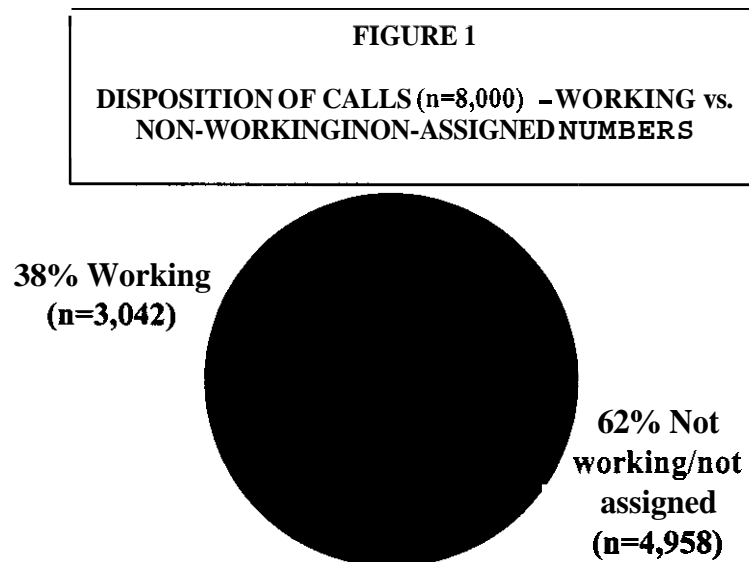
⁵ If Respondents expressed confusion regarding the meaning of “wireline local telephone service,” the following definition was provided “By wireline local telephone service we mean dial-tone phone service provided by **your** local phone company that allows you to ~~make~~ and receive phone calls by plugging your home phone into a wall-jack.”

V/CR's interviewers have successfully completed intensive training that exposed them to real-world interviewing situations, and they are constantly monitored and supervised by monitors who can unobtrusively listen to an interviewer's telephone line and pull up the interviewer's computer display. V/CR maintains an excellent supervisor-to-interviewer ratio of 1:12.

14. Calls were initially placed using V/CR's computer-assisted predictive dialing technology. This technology uses a computerized dialer loaded with the entire sample pool of telephone numbers to be called. After the computer dialed the number, an interviewer listened to the result of that call. If a live contact was established, the interviewer proceeded with the interview process. If the contact was an answering machine, messaging service, busy signal, or no answer, the interviewer recycled the number for redialing at a later time. If the number called was disconnected or otherwise out-of-service, the interviewer noted that fact and marked the disposition as final.
15. Once a "live" person was obtained on the line, the interviewer first asked if that person was responsible for paying the Cricket phone bill. If the person answered affirmatively, the interview proceeded. However, if the person answered "no," the interviewer requested the name and telephone number of the responsible billpayer. Attempts were then made to contact the new "forwarded billpayer" telephone number.
16. V/CR made five callback attempts if the result of a call (to an initial telephone number assigned to Cricket, or to a "forwarded billpayer" number) was an answering machine, messaging service, no-answer, or a scheduled callback (i.e., an indication from the person receiving the call that it would be better to call back at a particular time). Numbers with repeated busy signals (both fast and normal) were called approximately 12 to 15 times –

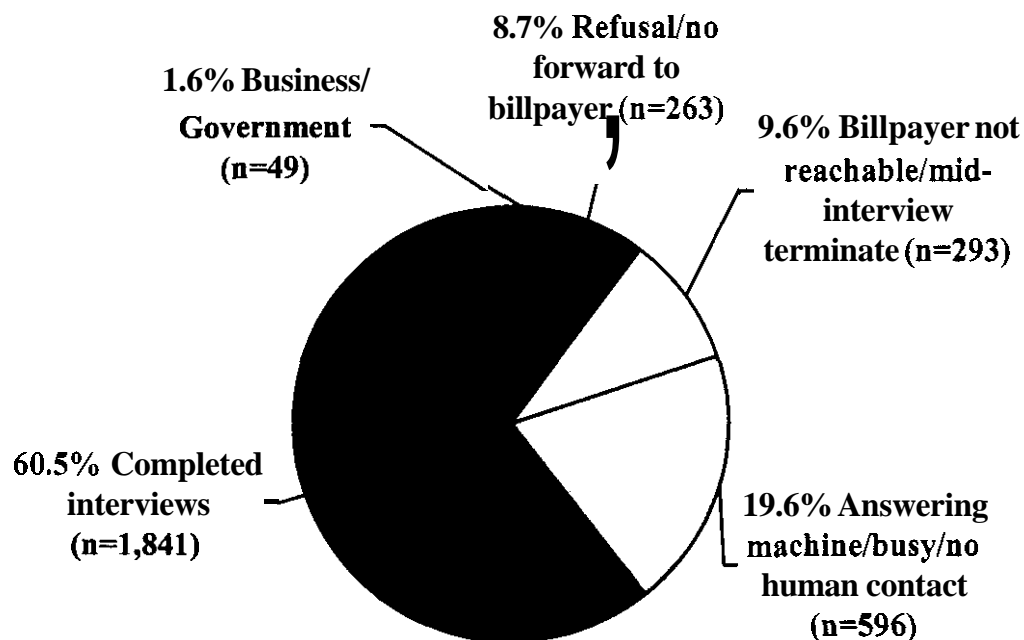
or four to five callback attempts, each consisting of three (3) consecutive calls. Callbacks were spread out over a number of days during the interview period. This process represents a rigorous attempt to accurately determine the status of a Cricket-assigned number and obtain completed interviews. Our callback practice comported with standard, accepted industry practice.

17. Of the 8,000 Cricket numbers called, 4,958 (or 62%) were either not working or unassigned. 3,042 (or 38%) of the numbers called were working. For a breakdown of the disposition of all 8,000 numbers called, see Figure 1.



18. Of the 3,042 assigned/working telephone numbers, we successfully contacted and conducted interviews with 1,841 billpayers, a total of 60.5%.⁶ In my experience, this represents an exceptionally high response completion rate for a telephone survey. Interview completion rates for telephone surveys are more typically in the neighborhood of 12% to 25%.⁷ For a breakdown of the disposition of the calls to assigned/working numbers, see Figure 2.

FIGURE 2
DISPOSITION OF CALLS TO
ASSIGNED/WORKING PHONE NUMBERS
(N=3,042)



⁶ 163 (8.9%) of the interviews were conducted in Spanish. The remaining interviews were conducted in English.

⁷ See, e.g., Charlotte Steeh, et al., Are They Really as Bad as They Seem? Nonresponse Rates at the End of the Twentieth Century, 17 *Journal of Statistics* 227, 227-28 (2001) (the Council for Marketing and Opinion Research "calculates average response rates . . . that range from 25 percent for all types of samples to 12 percent for RDD [random digit dial] samples").

In my opinion, the number of callbacks, the very **high** response ratio, and the number of completed interviews make it very unlikely that there could be any significant non-response bias with regard to the survey.

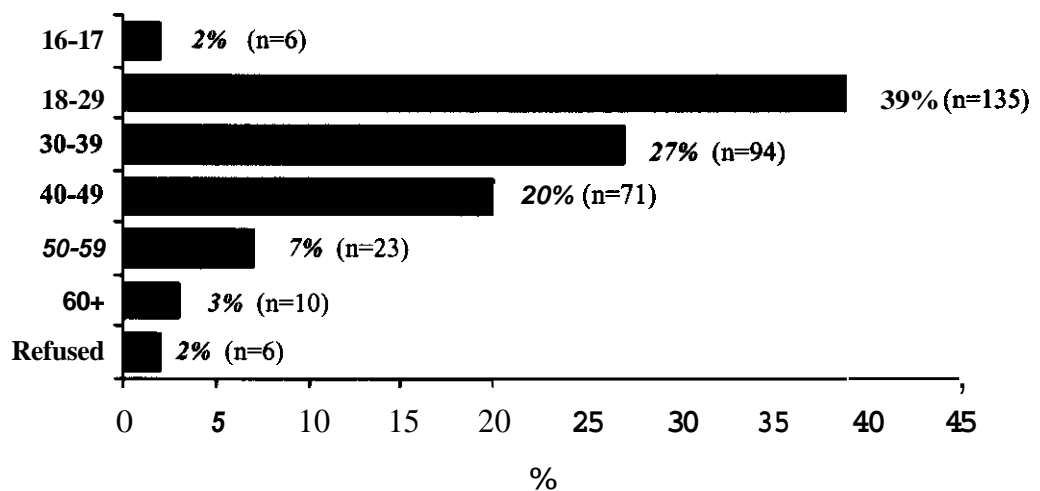
SURVEY RESULTS

19. Based upon the survey, we found that **4,958 (62%)** of the **8,000** telephone numbers called resulted in a “fast busy” signal or disconnection message, which indicated that the telephone number was not assigned to an active Cricket customer or was otherwise not in service. As described above, we determined that “fast busy” lines may not be in service by making numerous callback attempts, in approximately four to five interspersed groups of three calls. The remaining **3,042 (38%)** of the **8,000** telephone numbers called ~~were~~ telephone numbers that our interviewers determined were working numbers – either because the calls resulted in an interview, a “live” ~~person~~ who refused an interview, an answering machine, messaging service, a normal busy signal, a normal ringing tone with no answer, refusal to provide forwarding information about the phone’s billpayer or another indication of a working number.
20. These results indicate that ~~as~~ of February **2003**, Cricket had active subscribers for approximately **15,200 (38%)** of the **40,000** phone numbers assigned to it in Nevada. The exceedingly large sample size makes this finding extremely reliable: one in five numbers assigned to Cricket was called, and the margin of error was plus or minus 1% at the **95%** confidence level. Notably, the survey results compare favorably to publicly available market information filed by Cricket with the Public Utilities Commission of Nevada, which indicates that Cricket had an average of approximately **15,346** active customers

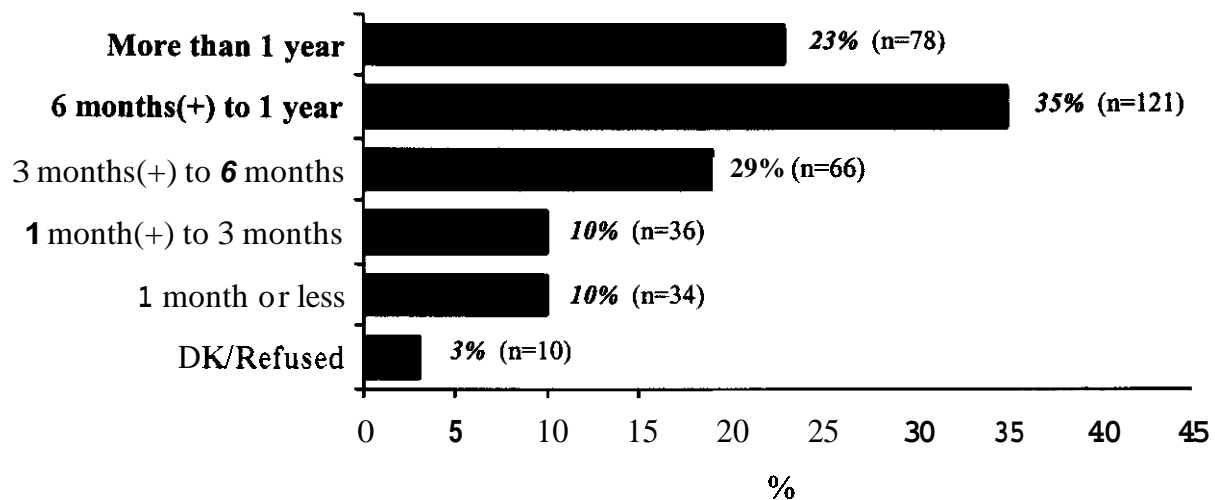
lines during the fourth quarter of 2002. See the Reply Affidavit of J. Gary Smith, ¶ 15 n.23.

21. Based upon the survey, we further found that **345** (18.7%) of the Cricket billpayers interviewed have terminated their pre-existing residential wireline local telephone service in its entirety and have no wireline local telephone service in their homes. The following graphs show the breakdown by age and length of Cricket phone service of these **345** Cricket billpayers who have substituted Cricket service for prior wireline service.

Age of Those Non-Wired/Previously Wired



Length of Cricket Service of Those Non-Wired/Previously Wired



22. These results indicate that **as** of February 2003, approximately 2,842 (18.7% times 15,200) Cricket customers in Nevada Bell's service territory have terminated their previous residential wireline local telephone service. The margin of error for **this** result is plus or minus 2.3% at the 95% confidence level? **This** is a very robust sample size and well-exceeds industry standards for a telephone survey. The survey uses a 1,841-answer sample to determine the behavior of a population of approximately 15,200 Cricket customers. By contrast, the standard sample size of national news organization polls reporting opinions of all 286 million Americans is 1,000 completed interviews.
23. For a more complete analysis of the survey results, see Attachment C.

CONCLUSION

24. The survey reliably demonstrates that a significant number of Cricket customers in Nevada Bell's service territory are using their Cricket broadband PCS service to replace their residential wireline local exchange service. Using a conservative definition of "replacement," the survey resulted in interviews with 345 subscribers who have disconnected their residential wireline local telephone service and utilize Cricket's service for all their residential calling needs. This number alone represents more **than a**

⁸ For purposes of **this** calculation, we have counted only those Respondents who answered "no" to the question of whether they have a wireline local telephone service, and "yes" to the question of whether they previously had **a** wireline local telephone service that was disconnected because of the decision to **purchase** Cricket service. **As** previously noted, **this** is **a** conservative estimate of replacement. For example, by counting all those Respondents who answered "no" to the question of whether they have a wireline local telephone service in their home, we would potentially include those **persons** who did not previously have **a** wireline phone but would have obtained one but for the purchase of Cricket's broadband **PCS** service. Using this slightly broader definition of replacement, the survey results would indicate that **as** of February **2003**, approximately **7,524 (49.5%)** Cricket customers in Nevada Bell's service territory have no wireline local telephone service in their homes, and the **margin** of error for **this** result is plus or minus **2.3 %** at **the 95%** confidence level.

“de ~~minimis~~” number ~~of~~ customers. Statistical application ~~of~~ the survey results to all Cricket customers in the Nevada Bell service territory, moreover, yields the conclusion that over 2,800 subscribers have disconnected their residential wireline local telephone service and are utilizing their Cricket service for all their residential calling needs. **This** survey unequivocally establishes that Cricket represents a “competitive alternative” to Nevada Bell’s residential wireline local telephone service – **as** previously established **in** the Affidavit of Mr. J. ~~Gary~~ Smith.

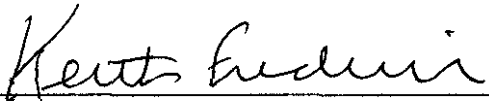
25. This concludes my affidavit.

COMMONWEALTH OF VIRGINIA

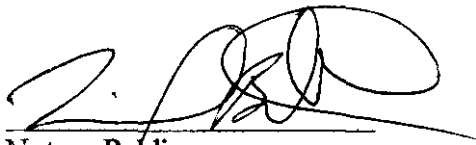
COUNTY OF ARLINGTON

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I declare under penalty of perjury that the foregoing is true and correct.


Keith Frederick

Subscribed and sworn to before me this 13 day of February, 2003


Notary Public